

AMENDED IN ASSEMBLY JANUARY 8, 2008

AMENDED IN ASSEMBLY MARCH 28, 2007

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

## ASSEMBLY BILL

**No. 1517**

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**Introduced by Assembly Member Jones**

February 23, 2007

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~~An act to add Section 758 to the Public Utilities Code, relating to public utilities. An act to add Section 11011.12 to the Government Code, relating to state property.~~

### LEGISLATIVE COUNSEL'S DIGEST

AB 1517, as amended, Jones. ~~Public utilities: regulation of rates. Surplus state property: 58th Street Armory.~~

*Existing law authorizes the Director of General Services, with the approval of the Military Department and the State Public Works Board, to convey to the Roman Catholic Bishop, Sacramento, specified property in the City of Sacramento, known as the 58th Street Armory, in exchange for a replacement facility meeting specified criteria. The director is also authorized to lease, with the concurrence of the Adjutant General, a specified portion of the property to the Diocese of Sacramento for a period not to exceed 7 years, for purposes of constructing a parking lot.*

*This bill would, notwithstanding any other provision of law, authorize the director, with the concurrence of the Adjutant General, to lease the property to the Sacramento Archdiocese, as specified, for a period not to exceed 50 years, with the net proceeds to be deposited into the Armory Fund to be available for appropriation by the Legislature pursuant to specified provisions of law.*

*This bill would state the findings and declarations of the Legislature concerning the need for special legislation.*

~~Under existing law, the Public Utilities Commission has regulatory authority over public utilities, as defined. Existing law authorizes the commission to fix the rates and charges for every public utility, and requires that those rates and charges be just and reasonable. Under existing law, public utilities are required to bill their customers for various taxes imposed by public entities and remit the revenues from those taxes that are collected to the public entity. The existing Public Utilities Act provides that a public utility or other service supplier is not liable to any customer as a result of collecting the tax, and grants various rights to, and imposes various requirements on, public utilities and other service suppliers with respect to the imposition, repeal, or collection of those taxes.~~

~~This bill would require the commission to determine on an annual basis, the state and federal income taxes actually paid to the respective taxing authority by each electrical corporation, gas corporation, and water corporation, and to annually report specified information to the Legislature and the Department of Finance. The bill would require that the commission include in rates only those expenses for income taxes actually paid to state and federal taxing authorities, except that the commission would be authorized to include in rates those income tax reductions representing investment tax credits and accelerated depreciation, to the extent the amount of the credit or depreciation is invested by the electrical corporation, gas corporation, or water corporation in facilities used and useful for providing utility services that are regulated pursuant to the Public Utilities Act.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1     *SECTION 1. Section 11011.12 is added to the Government*
- 2     *Code, to read:*
- 3     *11011.12. (a) Notwithstanding any other provision of law, the*
- 4     *Director of General Services, with the concurrence of the Adjutant*
- 5     *General, may lease to the Sacramento Archdiocese, a corporation*
- 6     *sole/St. Francis High School, approximately six acres of real*
- 7     *property located at 1013 58th Street in the City of Sacramento in*
- 8     *the County of Sacramento, known as the 58th Street Armory, for*

1 *a period not to exceed 50 years, upon terms and conditions deemed*  
2 *to be in the best interest of the state.*

3 *(b) Notwithstanding any other provision of law, net proceeds*  
4 *received from the lease of the property described in subdivision*  
5 *(a) shall be deposited into the Armory Fund established pursuant*  
6 *to Section 435 of the Military and Veterans Code and shall be*  
7 *available for appropriation in accordance with that section.*

8 *SEC. 2. Due to the unique circumstances concerning the County*  
9 *of Sacramento, the Legislature finds and declares that a general*  
10 *statute cannot be made applicable within the meaning of Section*  
11 *16 of Article IV of the California Constitution. Therefore, this act*  
12 *is necessarily applicable only to the County of Sacramento.*

13 ~~SECTION 1. Section 758 is added to the Public Utilities Code,~~  
14 ~~to read:~~

15 ~~758. (a) The commission shall, on an annual basis, determine~~  
16 ~~the amount of state and federal income taxes actually paid to the~~  
17 ~~respective taxing authority by each electrical corporation, gas~~  
18 ~~corporation, and water corporation, and shall annually report that~~  
19 ~~information to the Legislature and the Department of Finance. If~~  
20 ~~an electrical corporation, gas corporation, or water corporation is~~  
21 ~~owned by another taxpayer and does not file income tax returns~~  
22 ~~or pay income taxes, the commission shall determine and report~~  
23 ~~any amounts paid by the public utility to the owner of the public~~  
24 ~~utility that represents the actual tax liabilities resulting from the~~  
25 ~~provision of utility services that are regulated pursuant to this part.~~  
26 ~~The annual report shall include, for each electrical corporation,~~  
27 ~~gas corporation, and water corporation, or the taxpayer that owns~~  
28 ~~the public utility, all of the following information for the year of~~  
29 ~~the most recently available filings of both federal and state income~~  
30 ~~taxes:~~

- 31 ~~(1) The amount the public utility reported as taxable income.~~  
32 ~~(2) The amount the public utility actually paid in income taxes.~~  
33 ~~(3) The amount each owner and affiliate of the public utility~~  
34 ~~reported as taxable income resulting from the provision of service~~  
35 ~~by the public utility that is regulated pursuant to this part.~~  
36 ~~(4) The amount each owner and affiliate of the public utility~~  
37 ~~actually paid in income taxes as a result of the provision of service~~  
38 ~~by the public utility that is regulated pursuant to this part.~~

1     ~~(5) The expense for income tax the commission authorized the~~  
2     ~~public utility to include in rates for the same year as the most recent~~  
3     ~~tax filings.~~

4     ~~(b) The commission shall include in rates only those expenses~~  
5     ~~for income taxes actually paid to state and federal taxing~~  
6     ~~authorities, except that the commission may include in rates those~~  
7     ~~income tax reductions representing investment tax credits and~~  
8     ~~accelerated depreciation, to the extent the amount of the credit or~~  
9     ~~depreciation is invested by the electrical corporation, gas~~  
10    ~~corporation, or water corporation in facilities used and useful for~~  
11    ~~providing utility services that are regulated pursuant to this part.~~